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# Economics of Development: Analysis of Sagarmala Project, India

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*Abstract: Geopolitical research is usually described as an impasse. It seems to some scholars that geography is essentially scenery in the 21st century, all but insignificant to the most critical questions of grand strategy. This paper aims to revitalise geopolitics with its reflection upon the development and economic spheres of a region. The outcome of the proponents of economic development differs according to the significance of the area as a region. Rather than just associating geopolitics with the state behaviour, it is highly ascertained as a driver for the growth of the economy.*

*In terms of Indian Ocean, the importance of it has risen ever since the global economic activities are adjoined with its sheer resources. It has become a hub of waterways and pivotal chokepoints, significant for the rising nations of the world while many commercial activities and projects are undertaken by the nations. One of the major economic projects initiated by India is, Sagarmala Project.*

*A strategic and trade oriented initiative led by the Government of India is to evolve a model of port led development alongside India's coastline to induce it into a gateway of India's robustness which will enhance maritime connectivity reducing the cost of logistics and exports.*

*Hence, it is the strategic locus of Indian Ocean, which is carving out effective projects for the economies surrounding it leading to their exponential growth. Therefore, while assessing the degree of development one region undergoes, it is necessary to look through the prism of geopolitics.*

## I. INTRODUCTION

In terms of geopolitics and from a geo-strategic planning viewpoint, the Indian Ocean Region has to be perceived as a unique puzzle of players, each with their own vested interests or stakes, engaging in a multilayered time and space system. The consequence is a complex and transparent geopolitical structure in which the biggest stakes are directly related to the interests of global major powers, but at the same time regional circumstances and states are also of great importance. While every state or region has its own geography and pursues their own politics of geography, it forms an essential part of inter-state, intra-state and global politics. In current times, the politics is intertwined with every other aspect, hence geopolitical phenomena is also sieved through political analysis and this is where the role of location of a region or a nation comes into play. The significance of an area evaluates the root of developmental factors.

In light of the Indian Ocean and its decisive positioning, have outdrawn major economic activities in and around its reach. Maritime security and growth also took a new turn under this domain, while harnessing the new approaches to the maritime dimension. The ocean has become a rich physical environment, a medium for transportation, a theatre of military operations, an area of leisure etc. and is conned at the centre of the main geopolitical events that are undertaken in Asia.

At one side when we jot down the extended characteristics and richness of the Indian Ocean, it also lands us to the development it is leading in the economies through its radar of exploitation and exploration for different commercial activities.

This paper emphasizes upon one such project initiated by India, to boost its port trade and commercial links on a wider scale, Sagarmala Project.

Ongoing scheme under the Ministry of Shipping, Government of India and various other stakeholders, was approved by the cabinet on 25th March, 2015, which is targeted on the overall economic development of the country and ports becoming the drivers of economic activity in the coastal areas. Hence, this duly connects all the three points paper wants to accentuate upon, Geopolitics, Indian Ocean and Development.

The paper firstly outlines the role of geopolitics in International relations and its linkage with economic development, drawing towards the area significance of Indian Ocean and the case study of the Sagarmala Project while concluding it at the last.

### A. *Review Of Literature*

The article by Charles B. Hagan on Geopolitics accessed through Jstor, published by the University of Chicago, focused upon the traditional aspects of the geopolitics and how the state was the sole proprietor of the natural and physical resources. He has duly highlighted the various approaches used by traditional scholars while how the contemporary situation has changed the paradigm of geopolitics and its horizon expanded. Of how Geopolitics was used as an undertaking to find a determining proponent which can control the development of states. Charles, in his article substantially highlighted that the basic adjudgating factor is the geographic condition which is relatively materialistic in higher degree.

While another working paper by Soren Scholvin, associated researcher in the German Institute of Global and Area studies, on Geopolitics, highlighted the overview of the concepts of the geopolitics, some empirical examples from international relations and provided three guiding questions which one should ponder upon while referring geopolitics, Will geographical conditions impact the observed result? If so, do environmental factors have a major impact on the observed result? If yes, how do geographical conditions affect the observed outcome in conjunction with what other factors?

The research article on the Indian Ocean and its role in strengthening the India's security by Fernando Srimal and Jose Sharon, talked about the importance of Indian Ocean as a region and how the India's amalgamation of geostrategic and geo-economic policies are getting varied influenced by its moulding ocean diplomacy. They starred the Indian Ocean as a rich bordering agent of Indian Peninsula providing impetus for the development plans and the states strategy in booming the external relations too. The article also focused upon the widening security concerns demanding greater emphasis on the maritime security agenda of the IOR and the collective security by providing essential coastal links.

Skimming through the article on the Political and Economic significance of Indian Ocean by Qamar Fatima and Asma Jamshed, queued upon the geographical setting of the Indian Ocean and the major chokepoints and the historical expansion and exploration of Indian Ocean through many eras. They highlighted the ever increasing geopolitical significance of the Ocean because of the large amount of resources its littoral states possessed. David Brewster in his book, India's Ocean: the story of India's bid for regional leadership focused upon the forces which are shaping India's role in the Ocean which will define its strategic future and in turn will be a great deal for Asia's course. It guides upon the growing role, ambitions, potential, centrality of the Indian Ocean pertaining to a zone of geopolitical competition. The book draws the important aspect of the troubled domestic problems and neighbourhood which will always be a hindrance for India's maritime ambitions. And how the new centrality of the region will be developed for trade and energy flows. The working paper on the Concept note on Sagarmala Project, published by the Ministry of Shipping, oriented around the challenges, key initiatives and key components of the project. The project being a port-led development scheme based on three key deliverables, post modernization, efficient evacuation system, and coastal economic development would assimilate the hinterland projects of Industrial and freight corridors with the maritime progress to produce efficient and ideal transport for both the external and domestic sectors thereby reducing the logistic cost.

While the financial analysis of the Blue economy: Sagarmala's case in point by Dr. Himanshu Damle highlighted the importance of intensive infrastructure for effective functioning of the economy being the determining factor for assessing the location of economic activities and the types of sectors the area can develop. He jotted down how a strong and effective communication network enables an efficient flow of information and data, which boosts overall economic efficiency ensuring the communication and strategies made by the economic actors are competent enough with all the provided information. The analysis provided an existing relation between the infrastructure and the economic activity. Dr. Damle mentioned about the community led development that will occur through the implementation of the Sagarmala project which will be a major leap for the Indian economy. He relatively mentioned the challenges and drawbacks the Indian maritime industry faces while the area of improvement from this project.

### B. *Objectives*

- 1) To study the role of Geopolitics in International Relations.
- 2) To analyze the relationship between Economic Development and Geopolitics.
- 3) Insight about the significance of Indian Ocean and Sagarmala Project.

### C. *Methodology*

The research methodology used for the research is a combination of desk research complemented by the case study. The research uses a mix of primary and secondary sources such as journal articles among other secondary sources of literature and primary data sources like the government data and reports. The primary goal was to determine the role of geopolitical location in determining economic development.

## II. ROLE OF GEOPOLITICS IN IR

This globalised world unveils many layers of history and politics on both the national and international fronts. The interconnectedness, this phenomenon had given birth to not only change the games of great nation states but also highlighted the numerous facets of meeting one's national interest. And so as the world witnessed, the game board of globalization led by any territory of sovereign states cannot be met in isolation. With the ever growing aura of international tribune, the policies of nations seek to establish empirical control over space and the resources, route-ways, industrial capacity, population etc. to establish a strong front of the territory and its status quo dominance. This bores into the stratum of Geopolitics, the field which was formulated in the 19th century, central to political thought long before the International Relations grew into its own separate academic discipline.

Centuries have witnessed the great politics of geography in shaping many territorial spaces and boundaries encompassed with expanded scope of development. Many scholars have laid the foundation for this discipline imbibing many characteristics and critiques, be it Nicholas Spykman, Halford Mackinder, Robert Kaplan, Friedrich Ratzel etc. The relation that exists between man and his geographical environment has been the subject of discussion since time immemorial. The Geographical conditions constitute a structure that is independent of agency with a set of opportunities and constraints. But in International Relations, understanding a specific phenomenon requires both geographical and non-geographical factors like economic, social, historical and political. <sup>1</sup>Nicholas Spykman once wrote that 'ministers come and go, even dictators die, but mountain ranges stand unperturbed'. Due to their persistence, Spykman regarded geographical conditions – the physical reality that states face – as being decisive for International relations. It is the geographical surrounding of a country and its relations, which determine its security along with the commercial and economic ties, making geography as an essential to inter-state and intra-state politics.

Underpinning the current scenario of world paradigm, political effects of geographical phenomena like climate, topography, arable land, natural boundaries and access to sea have acquired significant space in international politics. The international economy is being reoriented through commercial, infrastructure and construction projects dwelling into a world economy based on long-distance land and maritime based transport. Technology and ideas have reached a stage where the geographical barriers are no longer inviolable. And to overcome the hurdles that may threaten the security and integrity of a country, national strategy, military institutions and political system interplay to meet the challenges. Great nation states have been harnessing their geopolitical opportunities to their advantage and exploiting geopolitical vulnerabilities of their adversaries thereafter building a security apparatus to counteract adverse situations.

### A. Geopolitics And Economic Development

Geopolitics in the 21st century has not only been an essential driver for security apparatus but also has made its broader way into the commercial sector. The development of a region is no longer just an economic variable but is equally an important part of the geopolitical domain affecting its range of developmental series in the world economy. The strategic location has a lot to pour into the scale of economic development one region can imbibe to enhance its economic viability. States have been harnessing the advantages of their location and resources, to acquire the status and power in the world political stratum by technological and commercial inputs which will lead their way in enhancing their development both economic and human, thus stabilizing their economy both at national and international fronts.

It is the country's geopolitical stature and constraints along with the national strategy that dictate the degree of development it will adopt in their respective sectors. One of the important things to consider while assessing a country's technological pathway is its geography, the existing infrastructure, labor flexibility, demographics, Capital availability, mobility, Education systems, Technological maturity, Social acceptance, regulatory flexibility, proactive policy etc. In account of the geographical dimension, the narratives have always been accounted to analyze and discover the relevant social and commercial dimensions of a certain place. States have been boosting their economic stability through maintaining a firm hold over their geopolitical space by ascertaining their economic development in lieu of human development. The strategic location of the nation state has been a substantial driver in deciding the path for the economic and human development for fostering the competitive outlook in the global political order.

<sup>2</sup>In a global economy, economic growth and human development are in a relationship of mutual dependence with the international competitiveness of the nation. On the international level, there is a strong correlation between a nation's human development level

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<sup>1</sup> Scholvin, S., 2016, Geopolitics, An Overview of Concepts and Empirical observations from International Relations, The Finnish Institute of International Affairs.

<sup>2</sup> The Republic of Moldova, 2006, The quality of Economic growth and its impact on Human Development, National Human Development Report.

and its capacity to be competitive on the international market. A key characteristic of economic development is that the people substantially participate in the development process and in changing the fundamental structure of the economy. International markets are of major importance to every national entity for which major trade routes and policies are explored and maintained. Since, <sup>3</sup>Foreign trade serves as a primary litmus test for the international competitiveness of the economy and whose structure and dynamics is evidence of the capacity of international competitiveness of the country. And, active participation in international trade helps to attract foreign direct investments while a free trade regime is an essential condition of sustainable growth for a small economy. Hence, the geographical diversification and development of a nation are two broad pillars upon which the growth framework stabilises. Research, Technological development, Innovation with geopolitical dimension all improve the competitiveness and security of a nation.

Highlighting upon the security aspect, geopolitical space of a nation needs to be ascertained with certain parameters which safeguards the boundaries and interest of the nation. The contemporary world and the state as its part are surviving changes that are ordinarily grasped from the stance of globalization. These progressions have unavoidably influenced the idea of security, and the degree to which security is impacted by geopolitical elements. Underpinning the notion of maritime security, it has to do with human exercises in the oceanic milieu, in other words a certain geologically delimited space. Thus, states are diversely affected by Maritime security dangers relying upon their actual geographical location. Major actors in sea arrangement, sea administration and global security have in the previous decade begun to include oceanic security for their command or reframed their work in such terms.<sup>4</sup>Maritime security threats are also used in geopolitical discourses as an argument amongst others justifying the projection of security beyond one's external boundary. Sea security is anyway likewise connected to monetary advancement. From the beginning of time the seas were consistently of essential financial significance. Most of the exchange is led by means of the ocean and fisheries are a huge industry. Both worldwide transportation and fisheries have formed into multi-billion ventures. The business estimation of the seas has additionally been progressively rethought because of the financial capability of seaward assets, midway fossil vitality yet in addition seabed mining, just as the monetary guarantees of waterfront the travel industry. The idea of a blue economy is also connected to sea security since practical administration methodologies not just require the authorization and observing of laws and guidelines, yet a protected oceanic condition gives the precondition to overseeing marine assets.<sup>5</sup>Ocean policy is that code of behaviour which is established for the state's strategy, course, development plans and external relations concerning the seas. The wellbeing and security of the nation can only be acclaimed through incorporating important foreign policy strategies and developmental plans like the Ocean policy.

<sup>6</sup>And as the world's population continues to grow, particularly in developing countries, low-cost and efficient maritime transport has an essential role to play in growth and sustainable development. From the monetary perspective, the advantages of oceanic development are: huge individual limits of transport ships, huge complete limit of the whole vehicle branch, low expenses and low cost of the vehicle course according to other vehicle benefits, the nature of customizability to request, long assistance life, and the ocean as the expansive and free way which doesn't require large interests in the foundation. The significance of oceanic traffic can be found in the way that there is practically no nation, paying little heed to its land position, which doesn't utilize sea transport in its exchange with the remainder of the world. The industry of maritime and its segments is one of the most liberal economy branches, inside which extraordinary exchanging exercises have created. To be specific, the entirety of its capital and different parts, similar to vessels, boats' banner, grouping register, protection, banking administrations, the bookkeeping, specialized and business the executives of the boats and the team, can be bought for example purchased or haggled in the worldwide market. Sea improvement is turning into the administration of the economy by and large and, in doing as such, has the inclination of vital connecting to more significant level financial frameworks. The expansion and augmentation of the interest scope in the maritime trans-national market has brought about the way that it can't work as an industry outside the remainder of the economy. The dynamic stature of state in maritime arena hence focuses upon building upon existing national, regional and multilateral measures to support a more effective utilization of resources for enhanced cross-border co-operation and sharing of knowledge, experiences and best practices to secure the ocean space for strengthening maritime cooperation for a peaceful, stable, and prosperous region. Hence, the sea coast location

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<sup>3</sup> The Republic of Moldova, 2006, The quality of Economic growth and its impact on Human Development, National Human Development Report.

<sup>4</sup> Germond, B. (2015). The geopolitical dimension of maritime security. *Marine Policy*, 54, 137–142.

<sup>5</sup> Fernando Srimal and Gupta Megha y Jose Sharon. (2018). The indian ocean and its role in strengthening India's security. *Ieee.es*

<sup>6</sup> Maritime Transport Is 'Backbone of Global Trade and the Global Economy', Says Secretary-General in Message for International Day, (2016). Meetings Coverage and Press Releases.

of a nation is of a critical value for development and prosperity of the area along with which the securitising of that area comes with due significance. This highlights how the discourse of geopolitics is one of the significant parameters for ascertaining the map of development, security and growth of a nation. Despite this important and insightful exchange my sense is that to a significant extent the domain of the geopolitical is still widely regarded as discrete and separable from the economic and the technical domain of 'development'.

### III. AREA SIGNIFICANCE OF INDIAN OCEAN

From a geopolitical viewpoint, the Indian Ocean, the third biggest sea in the world after the Pacific and the Atlantic, can be characterized as the waterway between Africa, Asia, Australia and the 608 south scope; the last being the northern cutoff of the territory secured by the first Antarctic Treaty.<sup>7</sup> Conceptualized as a large-scale ocean basin-centric region, the Indian Ocean Region consists of the Indian Ocean itself, with all of its tributary water bodies such as the Persian Gulf, the Red Sea, the Andaman Sea and the Malacca Strait, 38 coastal states, as well as 13 land-locked states for which the transit to and from the sea is mostly oriented towards the Indian Ocean. As well as the Ocean itself, its coastal states are abundantly rich in natural resources. The Indian Ocean field contains more than half of the world's total oil reserves. There are also other valuable minerals in this area, such as gold, diamonds and uranium. The principal highlight of the area is its incredible decent variety as far as geological setting. Political, populace, monetary and ecological examples change enormously starting with one nation then onto the next, making every one of them novel with their particular land profile. What's more, political limits for the most part don't coordinate with the dispersion of other huge factors, for example, ethnicity and religion, and the sorts of regular assets shift dramatically and are inconsistently conveyed from one spot to another. This extraordinary decent variety makes it hard to give a straightforward representation of the district.

The finish of the Cold War has seen a move in the focal point of world consideration regarding the IOR. The procurement of atomic little weapons by the nations of this district and expansion of fear based oppression, robbery, medicate dealing and interior disturbance in a few nations have made the area very unpredictable. Outside forces are, along these lines, quick to intercede, not exclusively to intervene or diminish this unpredictability yet in addition in their endeavor to stretch out their impact straight up to the IOR through their physical nearness. The nonstop monetary concealment of the people groups of this locale has incited nations to shape financial groupings and sub-groupings trying to encourage more prominent monetary prosperity of the IOR nations. Be that as it may, these endeavors have so far neglected to change into target increases because of numerous reasons; the essential ones being two-sided issues between countries which sway their lead and reaction in multilateral foray, prohibitive exchange systems forced by monetarily prevalent world forces and innovative backwardness of a large portion of the nations, requiring their proceeded with reliance on mechanically predominant countries for foundation and modern improvement.

The Indian Ocean has consistently been significant, and keeping in mind that vitality streams traveling the Indian Ocean are essential to outside forces and different nations, it is a thought of the locale as a topographical substance in its own correct that is unquestionably increasingly significant, and this viewpoint has all the earmarks of being absent from most Western investigation of the Indian Ocean.

Its littoral states just as the Ocean itself are massively wealthy in common assets. The greater part of the world's realized oil savings are in the Indian Ocean locale. Other significant minerals, for example, gold, precious stones and uranium are likewise found in plenitude right now. The chance of finding different kinds of minerals from its seabed is colossal.<sup>8</sup> The India Ocean has for long been a human ocean, a highway of trade and prosperity, an Ocean relevant to the faith of the populations living around it, with particular emphasis on Islam, which as pointed out by the historian Sugata Bose has remained a "quintessentially Indian Ocean experience for Muslims from India, Malay and Java who braved colonial regulations to make it to Mecca and Medina throughout the period of British imperial dominations of the seas.

In a world where in Asia plays an undeniably significant monetary and geopolitical job, the Indian Ocean gives the establishment to the exchanging frameworks that support Asia's financial ascent. The Indian Ocean is the bowl where exchange from Europe, Asia,

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<sup>7</sup> Bouchard Christian & Crumplin William.(2010) Neglected no longer: the Indian Ocean at the forefront of world geopolitics and global geostrategy, *Journal of the Indian Ocean*

<sup>8</sup> Bastos, M. (2014). The Indian Ocean and the Rise of a Multi-polar World Order: The Role of China and India. *Policy Perspectives*, 11(2).

the Middle East, and Africa interfaces. It is likewise vitality helps on which a few of the world's significant economies depend. Covered with oceanic gag focuses, the geopolitical results that will decide the area's future still can't seem to be chosen.

Three fundamental pieces are unmistakable in the geopolitics and financial matters of the Indian Ocean Region.

To start with, the Chinese economy relies upon access to this area. Vitality imports from the Middle East, assets from Africa, and exchange with Europe must travel the Indian Ocean so as to arrive in China. To make things progressively troublesome, Indian Ocean shipping towards China must go through the two-mile-wide Strait of Malacca. <sup>9</sup>Previous PRC Chairman Hu Jintao named this chokepoint 'the Malacca Dilemma', both as a result of the trouble of changing exchange back to China through this restricted conduit, and furthermore in light of its powerlessness to barricade or oceanic ban. In that capacity, China must arrange with an exceptionally troublesome geology in the locale which it relies upon for financial endurance and development. .

Second, the locale is home to a rising India which has significantly more profitable topography than China does with regards to sea exchange and security. As China develops its expeditionary maritime powers to leave on a 'two-ocean procedure' that centers around the Pacific and Indian Ocean, India, in its latest sea system, clarified that it considers the Indian Ocean, from the Cape of Good Hope to the Lombok Straits, as its essential territory of intrigue. <sup>10</sup>The Indian Navy intends to handle three planes carrying warship gatherings, one which will watch the Eastern Indian Ocean, a second for the Western Indian Ocean, and a third to be held for possible later use. Chinese maritime visits to Indian Ocean countries, for example, Sri Lanka and Pakistan, two basic hubs on China's 'Sea Silk Road', have prompted inconvenience in New Delhi.

Third, while the Indian Ocean is progressively the domain wherein the geopolitics of China-India relations will come to fruition in the coming decades, numerous different countries are additionally reliant on its conduits for trade, <sup>11</sup>and it is progressively turning into an element in national procedure records, where the 'Asia-Pacific' sea turns into the 'Indo-Pacific' as countries measure their worldwide and territorial vital interests. On the off chance that the Pacific connects the Americas to Asia, the Indian Ocean interfaces East, South, Southeast, and West Asia, too connecting Asia to Africa and Europe. The conduit makes an Asian exchanging framework conceivable, and with it the chance of a world with Asia progressively at its financial focus. In that capacity, while access to the Indian Ocean is fundamental to many, mastery of the Indian Ocean by any single force is probably going to be stood up to.

The Indian Ocean district also turned into an object of extreme enthusiasm for the nations of the world for its huge oil holds. <sup>12</sup>Oil not just turned into the existence blood for mechanical development yet in addition as an asset indispensable from the vital perspective. The Persian Bay and the encompassing nations hold significant vitality assets. <sup>13</sup>Persian Gulf provides food for 61% of oil stores and 26% of gas stores of the whole world. The Strait of Hormuz is by a long shot the world's most significant oil gag point with an expected 15.5 million barrels of oil moving through it every day. The other basic stifle point is Malacca Strait and more than 60,000 vessels and 10 million barrels of oil is shipped through it. Notwithstanding the US, a greater part of oil for Japan, South Korea and China goes through the Indian Ocean which makes their anxiety for guaranteeing free access and a specific level of impact in the district a flat out need.

Oil demand in developing countries is also expected to grow at a higher rate. Thus, the relevance of the Gulf as an energy centre in the foreign policies of China and Japan is also going to continue in the future while a study of the trends in oil consumption has shown a distinct rise in all countries.

Because of its significant geo-financial position, the <sup>14</sup>Indian Ocean has gotten all the more significant in the free market world as the new silk course from the Persian Inlet to the Sea of Japan goes through it. The Indian Ocean was the main sea not having financial matters, gathering like NAFTA and APEC when the world. The situation is quickly turning out to be sea driven. <sup>15</sup>Just in March 1997, fourteen nations of the district marked the sanction of Indian Ocean Rim Association for Regional Collaboration

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<sup>9</sup> Ward.T.Jonathan. (2017).The Emerging Geopolitics of the Indian Ocean Region, Asia Pacific bulletin.

<sup>10</sup> Ward.T.Jonathan. (2017).The Emerging Geopolitics of the Indian Ocean Region, Asia Pacific bulletin

<sup>11</sup>Ward.T.Jonathan. (2017).The Emerging Geopolitics of the Indian Ocean Region, Asia Pacific bulletin.

<sup>12</sup> Mathur Anand, (2002) Growing importance of the Indian Ocean in Post-Cold War Era and its implication for India, Strategic Analysis, 26:4, 550-560

<sup>13</sup> Essays, UK. (November 2018). Strategic importance of the Indian Ocean Region.

<sup>14</sup> Mathur Anand, (2002) Growing importance of the Indian Ocean in Post-Cold War Era and its implication for India, Strategic Analysis, 26:4, 550-560

<sup>15</sup> Mathur Anand, (2002) Growing importance of the Indian Ocean in Post-Cold War Era and its implication for India, Strategic Analysis, 26:4, 550-560

(IORARC). The development of IORARC has given the nations of the Indian Ocean edge a Collective maritime personality and a stage for collaboration. The enrollment of IORARC ought to stay open for every littoral nation of Indian Sea and endeavors ought to be made for creating provincial friendship and participation. The union of monetary and security interests would enable them to rise as a worldwide power with worldwide effect.

Extensively, the achievement so a long ways behind India's international strategy in the Indian Ocean has been because of its emphasis on: utilizing exchange and speculation; concessional advances; tact, including the redesign and production of new government offices or offices; multi-parallel activities, for example,<sup>16</sup> the India Africa Forum and the Indian Ocean Naval Symposium; instruction/preparing arrangements for outside understudies through the Indian Technical and Economic Cooperation, Tele-Education, Tele-Medicine and Pan African E-Network programs; preparing billets in Indian military foundations for remote military staff; limit building programs in training, government and military issues; and protection collaboration. The job of maritime tact in upgrading India's impact is an undeniably significant component of its system for drawing in Indian Ocean littoral states. India is as of now occupied with modernizing and extending its naval force, which is particularly in accordance with its key goal to turn into a significant Indian Ocean power specialist. The notable parts of its maritime modernization program include: overhauling maritime base offices and listening stations, obtaining an atomic fueled submarine ability and plane carrying warships. The Indian Ocean bowl is of specific significance for India, as the district's most crowded nation and geopolitical cornerstone. In spite of the fact that India has for quite some time been engrossed by mainland contemplations, it has as of late started to reconsider its needs.<sup>17</sup> India's Indian Ocean Region methodology—which in just barely coming to fruition—adjusts near worldwide needs for safeguarding the Ocean as a mutual asset: a significant channel for exchange, a reasonable asset base, and a district secure from elevated military rivalry, non-state entertainers, and calamitous cataclysmic events. Thus, accomplishing these targets will require further interests in limit, more prominent straightforwardness and certainty building measures, and improved institutional participation.

#### IV. CASE STUDY: SAGARMALA PROJECT

India has a coastline of 7,500 km long and theoretically navigable waterways of 14,500 km. To date, 12 major and 200 non-major ports along the Western and Eastern coasts have accounted for 90% of India's volume-based trade.<sup>18</sup> In Financial Year FY 2015-16 more than 1 billion tons of cargos were handled by Indian ports. The expected cargo volume by 2025 is estimated to reach 2.5 billion tons and this significant increase involves a major increase in existing ports' capacity and the development of new ports over the next 10 years. The facilitation of swifter and superior connectivity is essential to cargo handling for which efficient export-import cargo evacuation modes are needed. There is also enormous potential for rising transport and logistics costs and improving the productivity of exports through the growth of nearby industrial clusters. Hence, with multiple challenges comes the need to address them and at the same time efficient opportunities that need to be looked upon as far as port-led development is concerned. This is what is ascertained by the Sagarmala Project. The concept of which was approved by the Union Cabinet on 25th March 2015.<sup>19</sup> As part of the programme, a National Perspective Plan (NPP) for the comprehensive development of India's 7,500 km coastline, 14,500 km of potentially navigable waterways and maritime sector has been prepared which was released by the Hon'ble Prime Minister, on 14th April, 2016 at the Maritime India Summit 2016.

Alongside as India is one of the worlds fastest growing big economies with a GDP growth rate of 7.3 per cent, ports play a significant role in the country's overall economic development. About 95 per cent of India's merchandise trade passes through maritime ports.<sup>20</sup> Many ports in India are developing into specialized economic activity and service centers and are vital to sustaining the country's future economic development, such as JNPT, Mundra Port, Sikka Port, Hazira Port, etc. However, Indian ports still face infrastructural and operational challenges before progressing towards the next level. Second, last-mile access to ports is one of the significant constraints in the smooth flow of goods to and from the hinterland. The third aspect is the location of manufacturing and industry centers vis-à-vis ports.

<sup>16</sup> Ranasing Sergei DeSilva. (2011), India's Strategic Objectives in the Indian Ocean Region, Future Directions International Pty Ltd.

<sup>17</sup> Jaishankar, D. (2018, August 10). Indian Ocean region: A pivot for India's growth. Brookings.

<sup>18</sup> Make In India, (2018). Developing Ports: Sagarmala Project.

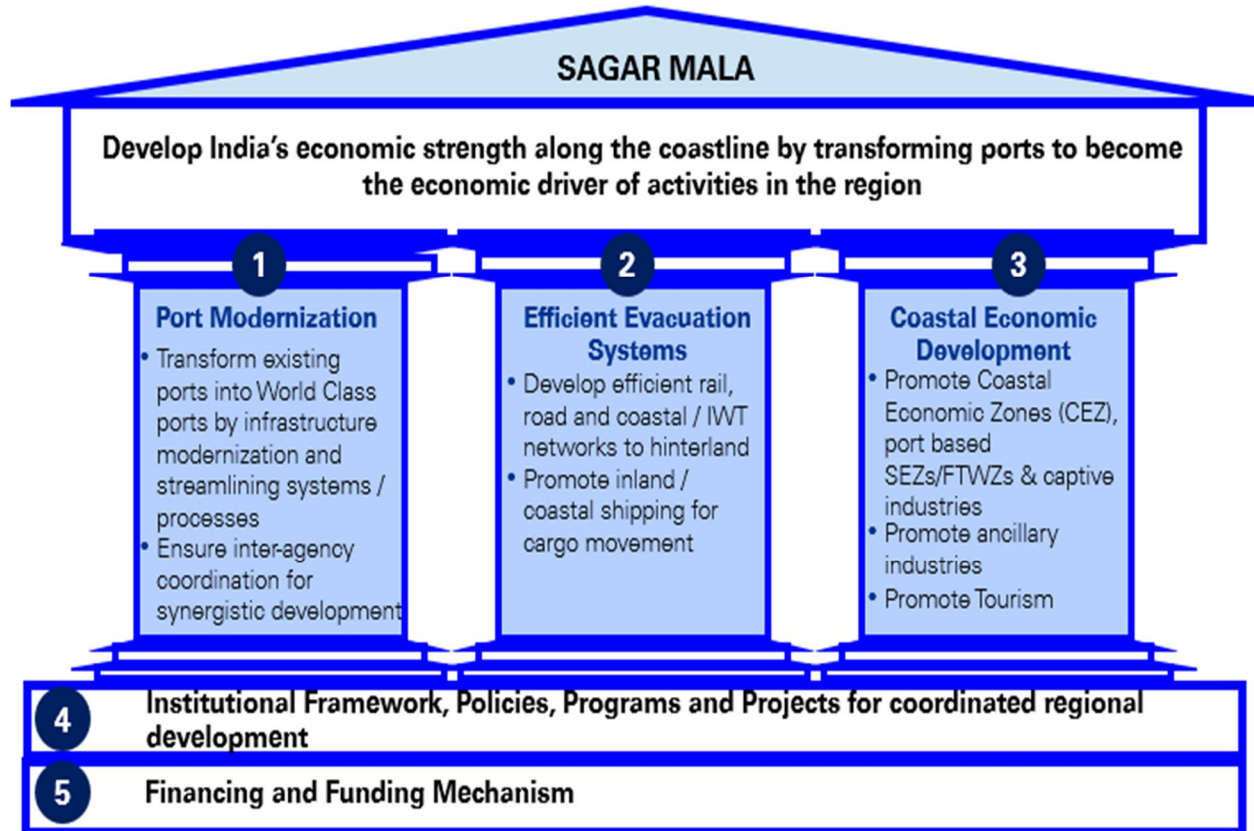
<sup>19</sup> Ministry of Shipping, (2019), Sagarmala. Government of India.

<sup>20</sup> Ministry of Shipping, (2019), Sagarmala. Government of India.



Sagar Mala is being conceived as an integrated cum infrastructure policy initiative that will provide a three-pronged approach to the development of India's maritime sector, focusing on port development, port-led development and inland / coastal shipping, backed by enabling policies, institutional framework and funding mechanism to ensure inclusive growth. Therefore, from development perspective,<sup>21</sup> the Sagar Mala concept has three key deliverables enlisted below:

- a) *Port Modernization*: Transform existing ports into world class ports by modernization of port infrastructure and existing systems. Also ensure inter-agency coordination for synergistic development at both major and minor ports
- b) *Efficient Evacuation Systems*: Develop efficient rail, road and coastal / IWT networks to the hinterland and promote Inland / Coastal shipping as a most preferred mode of transportation
- c) *Coastal Economic Development*: Encourage coastal economic activity in coastal regions by: Development of Coastal Economic Zones (CEZ), port based SEZs / FTWZs, captive ancillary industries and Promotion of coastal tourism.



<sup>22</sup>Figure1: Pillars of Sagarmala.

The project fits in with the creation of the coastal city of Blue Revolution. The program aims to ensure "sustainable growth" by "improving and matching the skills" of coastal communities. The strategy aims to enhance the lives of coastal people, suggesting that there is no discrepancy between such port-led growth goals and that of improving coastal residents' lives.<sup>23</sup> This seemingly win-win agenda is also endorsed by NITI Aayog's mapping of schemes that are to help India achieve its Sustainable Development Goals (SDGs).

Sagar Mala's three main deliverables will be Port Modernization, Effective Evacuation Systems and Coastal Economic Growth.<sup>24</sup> The 2 specific initiatives which will push Sagar Mala to achieve these are: 1. Coastal economic zone growth (CER) 2. Economic proposals to encourage shipping along the coast and smooth operations in ports.

<sup>21</sup> Ministry of Shipping. (2014). Concept note on Sagarmala Project. Government of India

<sup>22</sup> Mukhta Praveen. (2014). Pillars of Sagarmala (Table), Concept note on Sagarmala Project. Ministry of Shipping, Government of India

<sup>23</sup> Damle Himanshu, Financial Analysis of the Blue Economy: Sagarmala's Case in Point, pfpac.

<sup>24</sup> Mukhta Praveen. (2014). Concept note on Sagarmala Project. Ministry of Shipping, Government of India.

- 1) Coastal Economic Area is to be developed under the Sagar Mala initiative. It is a large area that includes major and non-major ports, and their hinterland. <sup>25</sup>Developing a Coastal Economic Region has three elements, i.e. Ports and New Ports Modernization, Hinterland Connectivity and Port Led Growth. A regional plan to research the market potential of the identified MER, infrastructure gaps that hinder development, and trade barriers should be prepared. The plan's goal will be to combine the growth potential of the MER's industrial clusters, smart cities and economic centers with the ports ' capability and modernization requirements and align the freight system evacuation links with them. It will also recognize delays at institutional capacity that hinder seamless domestic trade. Thus, the CER is the management mechanism for implementing the various initiatives to promote the maritime sector by preparing, organizing, financing and executing the projects on a broader regional basis through various state and central agencies.
- 2) Coastal Shipping and Inland waterways can be boosted through a combination of infrastructure and policy measures related to laws & regulations, port facilities and the expansion of national mega waterways. Initiatives to modernize the environment and infrastructure must be accompanied by favorable policies and regulations that encourage the growth and environment of Coastal Shipping and Inland waterways. Some of the policy initiatives are: <sup>26</sup>Provide Green channel and easier ingress/ egress from ports, Simplify procedures on manning norms, fuel taxes and compliances for coastal/ inland vessels, Incentivize commodities to use coastal mode, Promote research and manufacturing of equipment and vessels for coastal/ inland use, Provide provisions for setting up a Coastal shipping promotion fund for development of coastal shipping, Provide provisions for a proportionate reduction in CSR obligation for every unit of lowered carbon emission through coastal shipping and IWT, Make allocations for coastal shipping and IWT usage for PSUs.

Sagarmala, is today an important port flagship and maritime infrastructure and connectivity project for the Indian government. The project aims to develop strategic port infrastructure, coastal development, mechanization and computerizations, bringing together twelve major and 160 minor ports where central and state governments and private players are set up to jointly build the most productive sea link network in modern India.

The Sagar Mala project is also coordinated with the Government's other national goals and copies the goals and objectives of the program into those namely:

- a) *Smart Cities Development:* Cities like Vizag, Krishnapatnam are likely to be Andhra Pradesh's focal points for the coastal economic regions. Likewise, the other coastal economic regions will work against the expected development into smart cities of other port cities / clusters.
- b) *Projects for the Ganga Waterway and Clean-up:* <sup>27</sup>The Sagar Mala envisages seamless connectivity of sea-borne cargo with Inland Waterways for the movement of the hinterland of which the NW-1 is a key component. In addition, Sagar Mala envisages a holistic growth of riverine trade, transportation and tourism. It will harness the ongoing Ganga cleanup and beautification projects to develop tourism circuits and help centralized industrialization in the inland coastal areas to reduce pollution impacts.
- c) *Good Governance:* Sagar Mala aims to push all transactions online, to re-engineer processes and to effect efficient administration by using IT and strategic facilitators to provide better services to users and customers.
- d) *Make In India:* The Indian coastline is under-utilized for export purposes as elaborated in this report. <sup>28</sup>Developing CERs integrating existing and new coastal industrial clusters, SEZs, FTWZs, and port infrastructure would facilitate manufacturing driven to export in India.
- e) *Reducing Transaction Costs:* The use of automated systems and the efficient transfer of information and goods is expected to minimize transaction costs and make it possible for companies and industry to become more competitive.

Therefore, India's broader maritime vision is a double-edged road map and scorecard dominated externally by high-level maritime naval diplomacy along coastal countries and strategic alliances in the Indian neighborhood's high seas. On the other hand, the sporty internal hinterland coastline strategic connectivity of India's 'Sagarmala' is a potential for productive maritime transport highway and capacity building for the future transport of India's economic growth for the coming years. Thus, India's maritime architecture is seriously important to the political and economic borders of India both on the external and internal front. As part of Sagarmala, a

<sup>25</sup> Mukhta Praveen. (2014). Concept note on Sagarmala Project. Ministry of Shipping, Government of India.

<sup>26</sup> Mukhta Praveen. (2014). Concept note on Sagarmala Project. Ministry of Shipping, Government of India.

<sup>27</sup> Mukhta Praveen. (2014). Concept note on Sagarmala Project. Ministry of Shipping, Government of India.

<sup>28</sup> Mukhta Praveen. (2014). Concept note on Sagarmala Project. Ministry of Shipping, Government of India.

comprehensive port-led industrialization plan has been enacted which combines the growth potential of specific industries that have port linkages with each industry's competitive location. Such coordinates have also been mapped to the related major and non-major ports in the area that can better facilitate cargo movement from the industrial sites.

There's also an immediate need to create bridges of cooperation for mutual benefit with our maritime neighbours. This is encapsulated in SAGAR, a reasonable government initiative that recognizes that a secure atmosphere and calm seas are a prerequisite for booming commerce. India, as the alleged regional force, must establish an environment of confidence and economic interdependence between itself and its neighbours. This can be done by investing and facilitating in the creation of maritime infrastructure in the Indian Ocean Region (IOR) and in Bangladesh, Myanmar, the Maldives of Sri Lanka, Oman and Iran especially.

Therefore, given the involvement of China, which is already a serious investor in the countries in India's nearby waters and primary areas of maritime interest, SAGAR becomes crucial for national and regional peace. The time is high for India to be expansive in its national funding outlays approach. This would involve a strategic decision—such as upgrading existing ports over building new ones under the Sagarmala project, as trade in India has not progressed exponentially. Instead, it is best to prioritize and finance SAGAR, which will provide access to these strategic nations and play the Indian Ocean in China as a mitigating factor.

## V. CONCLUSION

Ocean policy is a set of guidelines for the State's strategy, route, growth plans and maritime foreign relations. The region's well-being and stability can be assured only by the implementation of essential foreign policy policies such as ocean policy. The Indian Ocean bordering the Indian Peninsula is a resource-rich and economically important ocean space that links the world's numerous regions. It has served as a trade, community, technology, products and services channel that has enriched all the regions bordering the ocean.

The geopolitical location of Indian Ocean has contributed its adjoining nations a lieu of development paths to be reincarnated owing to its plethora of rich resources and the power of maritime development and technology. By shedding light on the formulation of the geopolitics and the studies regarding the importance of the region, has not only helped in implementing the pathway of formulating the strategies of developing a particular region or boundary, but has also helped in providing a new approach to align development with the array of geopolitics. The strategic location of Indian Ocean, in the respective paper, has not only been a basin of trade, commerce, culture, development etc. but also a major force of development in the surrounding area. Provided to this, the Indian Economy has been strategising the advantage of the Indian Ocean for its ample amount of trade and commerce activities. In a world where Asia plays an increasingly important economic and geopolitical role, the Indian Ocean provides the basis for the trading mechanisms undergirding Asia's economic rise.

While the contemporary international relation theories can also not be properly considered or analyzed without addressing the geopolitical theories which abounded and informed them during their genesis period. The fields of geopolitics and political geography were fundamental to strategic theory well before after the First World War, International Relation became its own as a separate academic discipline while the strategic thinkers which were both scholars and statesmen, and the decision-makers of their home states followed their ideas to a great degree. Thus their ideas played a significant role in the relationships between the great powers of the era.

Underpinning the strategic enhancement of the Indian naval presence as the second major player in the Indian Ocean merged both defense and economic interests by importing via shore; India meets its 89 per cent of oil requirements. The country's exports being the largest stakeholder in Indian Ocean trade and trade in imported crude oil, raw materials, and consumer goods. Securing the protection from the Persian Gulf, Europe and Eastern Asia has become important for India. The stability of these essential shipping lanes is also related to India's dependence on the Indian Ocean's defense, along with its need to track and, where possible, control the naval operation of other regional powers.

If we look upon the area's significance and its diplomatic ties, the rising rivalry in the Indian Ocean between China and India adds a new dimension to its geopolitical significance. While energy and trade flows are China's first concern, India is watching over its activities through strategic calculations. By spending billions of dollars in industries such as oil, mining, transport, electricity generation, telecommunications and infrastructure, China is engaged in enhancing political and economic power over Africa. It will ensure efficient access to energy resources and raw materials that are critical to their growth and development. This is clearly a new geopolitical direction of Chinese energy resource policy that would have far-reaching impacts on growth, trade, and interest conflicts between China's USA and India. This will certainly become the characteristic feature of the geopolitical importance of the Indian Ocean in the 21st century. Conclusively, it can be assumed that IO's geopolitical importance will increase and strengthen

since its coastal states have more than two-thirds of the world's oil reserve, and around 35% of the world's gas reserves, 60% of uranium, 40% of gold, and 80% of all diamond deposits.<sup>29</sup> To several countries, it had acted as a catalyst. Japan imports nearly 90 per cent of its oil from the IOR, 85 per cent from Italy, 60 per cent from Britain and Germany and nearly 50 per cent from France. Indian Ocean is also significant because it contains industrial raw materials.

Owing to the capacity of development Indian Ocean beholds in its layers of waves for the Indian economy, brims the importance of maritime infrastructure to the economy of India and exploiting the natural maritime benefits of India, Shri Narendra Modi, Prime Minister of India, created the dream of 'Sagarmala' and 'port-led prosperity.' The Indian government has been promoting the future of the country's revolutionary infrastructure since 2014. Through the Sagarmala plan, the government intends to modernize ports and align them with special economic zones, port-based smart cities, industrial parks, warehouses, logistics parks and corridors for transportation. Under this major infrastructure development programme, global investors have huge opportunities.

The Sagarmala project dodges the Indian ports 'productivity and its effects are very clear. After years of losses, the Indian ports and shipping agencies are now profiting well. It is a key facilitator of the project, 'Make in India.' One of Sagarmala's main results is the cutting of logistics costs, which is essential for our indigenous manufacturing initiative. Apparently, the logistics costs of India are about 14-18% of GDP, in order to compete on the global market, it will fall to 4-6%. A number of Sagarmala sub-projects are in line with government industrial corridors, dedicated freight corridors, national highway development plan, and special economic zones.<sup>30</sup> In 2025, Sagarmala will be able to optimize the country's logistics flows, and help save about \$5.3-6.1 billion a year. The holistic 'port-led growth' approach to Sagarmala has given the world a new outlook to better understand the maritime space. Sagarmala's vision is diverse from connectivity, cooperation and industrial growth, to initiatives for cohesive and sustainable coastal regions and community growth. For India, oceans are not merely trade and transport links, as Prime Minister Modi puts it beautifully, "not only does the maritime sector build and promote economic activities; it also connects countries and civilizations. Investing in the maritime sector invests not only in one's own future, but also in the future of the world and future generations.

In its bid to harness the economic and commercial advantages of maritime trade, Sagarmala is expected to step forward and build new models for the logistics industry. Because hundred percent Foreign Direct Investment is approved for port construction and maintenance, global investors are expected to consider this as a significant opportunity for emerging-sector inroads. As well as positioning the largely overlooked coasts as an enticing investment destination, Sagarmala has also helped create fresh avenues for creativity and job development. Last but not least, seeing the kind of bilateral and regional partnerships that Sagarmala would lead to in the future will be important. Hence, it is relatively a broader role of a nation or a region's geopolitical location, which decides the degree of development in respect of its economic, political, social, cultural, commercial etc. sectors. The field of geopolitics is that stratum of international relations, which exponentially underpins the larger economic forces of development alongside many other factors.

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